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**JAN 10 2008**

**PATENT**

109.0015  
Claims on the Web (COW)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

**Applicants:** Dodd et al.  
**Serial No.:** 10/036,605  
**Filed:** December 21, 2001  
**For:** SYSTEMS AND METHODS FOR AUTOMATIC SUBMISSION, AUDIT AND  
ADJUSTMENT OF MORTGAGE INSURANCE CLAIMS  
**Group:** 3693  
**Examiner:** Greimel, Jocelyn

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Durham, North Carolina  
January 10, 2008

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Declaration of Peter H. Priest Pursuant to 37 C.F.R. 1.131

Sir:

I, Peter H. Priest, declare as follows:

1. All statements herein made of my own knowledge are true and all statements made on information and belief are believed to be true.
2. Claims 1-32 of the present application have been rejected under 35 U.S.C. 102(e)/103(a) based on Cadigan et al. U.S. Publication No. 2004/0093242 (Cadigan) in view of "Enhanced Claims Processing Capabilities Bolster First American Default Management

Solutions" (Claims Processing) a copy of which is attached as Exhibit A hereto. From its face, Claims Processing has a publication date of no earlier than November 21, 2000.

3. Prior to November 21, 2000, as well as currently, I have been the sole proprietor of the Law Offices of Peter H. Priest, P.L.L.C. and its predecessor, the Law Offices of Peter H. Priest and a partner of Priest & Goldstein, PLLC (collectively "the firm").

4. On or about, February 21, 2001, the firm received an Innovation Disclosure Form from GE Capital Mortgage Corporation ("GE Capital Mortgage"). That Innovation Disclosure Form was dated September 15, 2000 and a copy is attached as Exhibit B hereto.

5. Our firm proceeded to contact the inventors and to work diligently to prepare and file the present application on December 21, 2001.

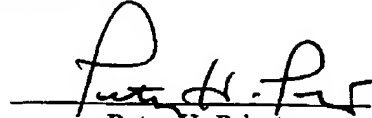
6. As indicated at page 1, lines 5-7 of the specification of the present application, "[a] computer program listing appendix" was submitted on a compact disk as part of the application and "incorporated by reference". Files contained on the disk were listed on page 1 along with their dates of October 15, 2001 and the size of each listed file. These files comprise computer software for the COW system addressed by paragraph 8 of the Rule 131 Declaration of Nancy J. Dodd, Charla M. Parker and Traci L. Whitney submitted herewith, and are further evidence of the actual reduction to practice of the invention prior to November 21, 2000.

7. A true copy of the presently pending claims as amended by the amendment of January 10, 2008, claims 1-32, is attached hereto as Exhibit C.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. I understand that willful false statements and the like are

punishable by fine or imprisonment or both as set forth in 18 U.S.C. 1001, and may jeopardize the validity of the application or any patent issuing thereon.

Executed on January 10, 2008

  
Peter H. Priest

Enhanced Claims Processing Capabilities Bolster First American Default Management Solutions

PR Newswire. New York: Nov 21, 2000. p. 1

**EXHIBIT A****Abstract (Summary)**

The addition of these new modules is a major benefit to customers as CMAX now provides comprehensive claims processing of all FHA/VA and mortgage insurance claim types. These modules adhere to all HUD regulations and mortgage insurance rules and policies as do the existing CMAX system modules that provide an extensive array of edit checks. All modules within the CMAX system interface with First American's DAISY default management system.

CMAX is an Oracle(TM)-based Windows(R) software system that controls and highly automates the claims processing cycle by automatically matching the data for the claim to the ever-changing rules and regulations of investors and regulators. CMAX improves turnaround time allowing servicers to meet the strict deadlines associated with claims processing and has a multitude of controls that ensure that claims are processed accurately and electronically. By refining the claims process through automation and a shortened cycle-time, CMAX significantly reduces costs associated with processing claims and improves claim processor productivity. When used in conjunction with DAISY, those cost reductions and improved productivity benefits are substantially increased.

**Full Text (659 words)**

Copyright PR Newswire - NY Nov 21, 2000

DALLAS, Nov. 21 /PRNewswire/ -- First American Default Management Solutions, a First American Real Estate Information Services, Inc. company, today announced that it has completed the integration of the CMAX and DAISY default servicing systems and has added new claims modules within the CMAX system.

The DAISY/CMAX interface solution allows servicers to realize a significant reduction in manual data entry for its claims processors. The interface also significantly reduces the occurrence of data entry errors. These benefits are possible because the interface pre-fills foreclosure claims data from the DAISY system directly into the CMAX claims processing system. This pre-fill of data also shortens the claims processing cycle time by eliminating data entry time.

The company also announced that new loss mitigation claims and conventional mortgage insurance claims modules within the CMAX system have been added to the claim types it processes. Within the loss mitigation module, special forbearance, loan modification and partial claims have been added to the system. The new conventional mortgage insurance claims module processes primary, pool and supplemental claims. These new modules further expand the capabilities of the system and strengthen First American's default management solutions for customers nationwide.

The addition of these new modules is a major benefit to customers as CMAX now provides comprehensive claims processing of all FHA/VA and mortgage insurance claim types. These modules adhere to all HUD regulations and mortgage insurance rules and policies as do the existing CMAX system modules that provide an extensive array of edit checks. All modules within the CMAX system interface with First American's DAISY default management system.

"This innovative technology solution is an example of how First American has leveraged its default technologies to provide the efficiency and value that our clients demand," said Joe Filoleta, division president of First American Default Management Solutions. "Putting the flexibility and extensive data storage capabilities of DAISY together with the power and compliance features of CMAX results in an enormous boost in claims processing productivity.

"The additional modules strengthen CMAX's position as the industry's most sophisticated and complete claims management solution," Filoleta added. "By delivering these new modules we are better able to assist our customers with their claims processing needs."

CMAX (Claims MAXimization system), the industry's leading claims management and processing software system, is designed to both generate accurate claim filings and to reduce the time associated with the processing cycle. DAISY (Default Account Information System) is the industry's leading default management, query and reporting tool.

CMAX is an Oracle(TM)-based Windows(R) software system that controls and highly automates the claims processing cycle by automatically matching the data for the claim to the ever-changing rules and regulations of investors and regulators. CMAX improves turnaround time allowing servicers to meet the strict deadlines associated with claims processing and has a multitude of controls that ensure that claims are processed accurately and electronically. By refining the claims process through automation and a shortened cycle-time, CMAX significantly reduces costs associated with processing claims and improves claim processor productivity. When used in conjunction with DAISY, those cost reductions and improved productivity benefits are substantially increased.

DAISY is a powerful default reporting and work flow tool that allows default managers to proactively manage their portfolios, realize significant cost savings and ensure compliance with investor requirements.

The First American Corporation, based in Santa Ana, Calif., is the nation's leading provider of business information and related products and services. The corporation's three primary business segments include: title insurance and services; real estate information and services, which includes mortgage information services and database information and services; and consumer information and services, which provides automotive, subprime and direct-to-consumer credit reporting; resident screening; pre-employment screening; property and automotive insurance tracking services; property and casualty insurance; home warranties, investment advisory; and trust and banking services. Information about the company and an archive of its press releases can be found on the Internet at [www.firstam.com](http://www.firstam.com). SOURCE First American Real Estate Information Services, Inc.

**[Reference]**

Message No: Industry: REAL ESTATE; INSURANCE;

**Indexing (document details)**

Companies: First American Enterprises Inc (NAICS: 233210 )

<http://by101fd.bay101.hotmail.msn.com/cgi-bin/getmsg?msg=1281D031-5634-466D-AC...> 7/25/2007

## MSN Hotmail - Message

Page 2 of 2

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**EXHIBIT B*****GE Capital*****ATTORNEY CLIENT PRIVILEGED**

DATE September 15, 2000

**GE Capital****INNOVATION DISCLOSURE FORM****CONFIDENTIAL AND PROPRIETARY**

(instructions attached)

Innovation Disclosure No. 2000-15  
(To be assigned)

YOUR NAME: Joanne Stewart

BUSINESS: Mortgage Insurance

FUNCTION: Claims

PROJECT NAME: Claims on the Web (COW)

PROJECT TEAM LEADER: Joanne Stewart

**1. Descriptive Title of Invention**

Claims on the Web is a new method of claim submission, audit and adjustment if applicable, and payment utilizing both the Internet and internal proprietary systems.

**2. Individual Innovators Information**

| Full Name       | Work Phone   | Home Address                                 | Citizenship |
|-----------------|--------------|--|-------------|
| Joanne Stewart  | 919-846-4151 | 8809 Mansfield Drive, Raleigh NC 27613       | US          |
| Nancy Dodd      | 919-846-4517 | 2017 Carrbridge Way, Raleigh NC 27615        | US          |
| Charla Parker   | 919-846-4501 | 9117 Sulkirk Drive, Raleigh NC 27617         | US          |
| Robert Johnston | 919-870-2382 | 3021 Creek Moss Ave., Wake Forrest, NC 27587 | Canada      |
| Traci Whitney   | 919-846-3047 | 4309 Riverport Road Raleigh NC 27616         | US          |
| Julie Beauvais  | 919-870-2406 | 5912 Bayberry Lane, Raleigh, NC 27612        | US          |

3. **Chronological Information.** Provide details in the space next to the question or on a separate piece of paper.

|   |  |
|---|--|
| When did you first conceive of the innovation?  | May, 2000  |
| What is the date of the first written description of the innovation?  | May 22, 2000   |
| When was the innovation first disclosed to any person in the company?   | May 22, 2000   |
| When was or will the innovation be first disclosed, demonstrated or described to persons who are not employees of GE Capital? Has the innovation been described in any type of publication released outside of GE Capital (either an electronic or a printed publication)? If so, give details (e.g., trade show, which publication, etc.). | In July, 2000, we spoke with a group of customers (Mortgage Servicers) to determine their requirements for this system, and whether or not it would be useful to them. We will take a prototype system out to select customers in September, 2000 and have a target group of customers test the system in December, 2000 |
| Have steps been taken to put the development or innovation into use, either outside GE Capital or in our own operations? If so, give details.   | We are in the stage of developing system specifications. We plan to roll this out to all Mortgage Servicers in first quarter, 2001.  |
| When was or will a product or service incorporating the innovation be first offered for sale or license (including as a Beta version)?  | N/A  |

4. **Background of the Innovation** (what led you to the innovation?)

All Mortgage Insurers offer some type of claim submission using a web application; some provide a status of where a claim stands in the settlement process (such as date received, in audit, missing documentation and claim paid date). We originally planned to match the competition and give only a claim status. However, we decided we could more fully meet Servicer needs by designing a system that immediately audits and adjusts a claim upon submission via the Internet. Because of this feature, immediate feedback on any projected claim adjustments can be provided to the Servicer. With current systems, a Servicer does not know if a claim is going to be adjusted until they have received their claim settlement. This often results in rework and a submission of a supplemental claim.

5. **List any "Prior Art"** (see instructions)

We have CertiLink, and all of our competition has a web application allowing customers to submit claims over the web. Some of the competition provides an audit status that is posted to a bulletin board, but none (to our knowledge) provide an immediate audit and feedback of any

adjustments on-line. Our . . . ent internal system, ("Claude") provide immediate audit feedback to our internal representatives in the form of potential adjustments needed, but does not automatically make all adjustments.

#### 6. Brief Summary of the Innovation

A Servicer completes the Claim for Loss form on line. When finished, they click a button to submit it to General Electric Mortgage Insurance Corporation (GE) for settlement. Throughout the process, there are field validations and calculations allowing the Servicer an opportunity to edit the information entered. The completed system will also allow Servicers to import multiple claims from their central database repository, eliminating the need for duplicate data entry. (This automated feed is being addressed by service bureaus for all mortgage insurers, but only ours will send it through the audit, adjustment and disposition process.)

Once the claim is submitted, it is automatically audited and adjusted, and the results are immediately provided to the Servicer. The Servicer will have the ability either to accept the adjustments, or connect to a GE Claim Representative via e-mail to discuss the proposed adjustments. After the adjusted claim is accepted, a message will come back to the Servicer telling them: a) when to expect payment, or b) that we are considering the property as an acquisition.

The audit and adjustment feedback will be immediately available on-line as Servicers enter claims. If they prefer to review the findings at a later time, they will have that option. They will also have a direct link, via e-mail, to a GE Claim Representative if they have further questions or issues to discuss. An additional feature of this system will allow Servicers to query the status/audit results of an individual claim or group of claims submitted.

By knowing the claim adjustments at the time of submission, the Servicer has the ability to send additional information or explain an expense item before their claim settlement is processed. This will help them (and GE) be more productive by reducing rework supplemental claims (in many instances currently, supplemental claims are submitted for those expenses that were adjusted when we sent out the claim settlement funds.) We can also reduce some follow-up time on both ends by setting expectations of when claim settlements will be received.

#### 7. Value Assessment

Rate your innovation's overall value to GE Capital on the following scale:

**Rate 0: Negligible.** The innovation would do little to enhance profitability, and its protection would do little to protect market share. Potential royalty revenue is negligible.

**Rate 1: Moderate.** The innovation would enhance profitability some, but not substantially. Patenting it would partially block competitors, but not fully. Royalty revenue would exceed the cost of maintaining patent protection, but not substantially.

**Rate 2: Substantial.** The innovation would substantially enhance profitability; or patenting would fully or significantly block competitors; or royalty revenue would be substantial.



**Rate 3: Supreme.** The innovation is of the highest value, a significant component of the bottom line, a crown jewel of the business. (Few innovations will achieve this rating.)

Score: 1.5

**Team Members: Submit completed form to your assigned legal counsel.**

**Detailed Instructions:**

1. **Descriptive Title of the Innovation.** The title should be an attempt to capture the essential feature of the innovation. Do not use generic names such as "E-Commerce Method". Rather a descriptive phrase such as "New method of processing product orders utilizing combination of Internet and closed network delivery system" is more helpful.
2. **Individual Innovator Information.** List all the people who contributed to the development of the innovation. A decision regarding who actually qualifies as an "inventor" is a legal one and can not be finally made until the patent application is drafted. To insure no inventors are later inadvertently overlooked, include all persons who contributed to the development. Incorrect inventorship may invalidate a patent. It is helpful to note in the description of the innovation the specific contribution made by each inventor.
3. **Chronological Information.** These questions relate to the dates on which the innovation was first conceived and reduced to practice, and the dates of first disclosure or sale of the innovation.
4. **Background of the Innovation.** Describe generally the technical or business field to which the innovation relates. Include general background as to what problem, if any, the innovation solved, or what was lacking in previous devices, processes, business methods, etc., that prompted the development of or led to the innovation, or what the state of the art was when the innovation was made.
5. **"Prior Art."** Please list all publications (printed or electronic), other (prior) patents, commercially available products or other sources of public knowledge (known as "prior art") of which you are aware which: (i) describe the extent of the already-public knowledge; (ii) describe the shortcomings of the prior art; or (iii) were considered by you for any purpose in arriving at your innovation. Also, identify any related company work, innovation disclosures, pending patent applications or patents.
6. **Brief Summary of the Innovation.** Briefly describe the innovation in the broadest terms possible while including the unique feature or features that differ from the prior art.
7. **Value Assessment.** This should reflect your team's best, objective judgment. The detailed assessment tools in the Questionnaire may be helpful in identifying particular strengths and weaknesses of your innovation in this regard.

## EXHIBIT C

### U.S. Serial No. 10/036,605 Pending Claims

1. A system for automatically processing mortgage insurance claims, comprising;
  - a central server computer for receiving inputs from, and providing outputs to, a servicer terminal connected into a network, the servicer terminal capturing data from a servicer submitting a mortgage insurance claim, the data being related to an insured mortgage loan after default on the mortgage loan by a borrower;
  - a claims database connected into the network, containing data relating to the mortgage insurance claim;
  - a claim audit rulebase connected into the network, for automatically performing an audit and adjustments of the submitted mortgage insurance claim, providing results of the audit and adjustments to the servicer at the servicer terminal, and presenting the servicer with an option to interact with a claim representative to resolve any issues, the claim audit rulebase including rules directed to determine whether loss can be mitigated by acquisition by the insurer of a property subject to the insured mortgage loan.
2. The system of claim 1, wherein the system displays to the servicer at the servicer terminal a claim submission form including data entry fields for receiving claim data.
3. The system of claim 2, wherein the data entry fields include fields that are automatically pre-filled by the system using stored data.
4. The system of claim 1, further including a document generator connected into the network, for generating a settlement letter to be sent to the servicer.

5. The system of claim 1, wherein if the claim audit rulebase determines that a payment is to be made on the submitted claim, the servicer is provided with a projected date of payment.

6. The system of claim 1, wherein the servicer is provided with a detailed explanation of policy exceptions identified by the claim audit rulebase.

7. The system of claim 1, further including:  
a claim representative terminal connected into the network for allowing a servicer to communicate with a claim representative.

8. The system of claim 7, wherein the servicer communicates with the claim representative using e-mail.

9. The system of claim 1, wherein the servicer terminal runs a web browser, and wherein the system includes a web server computer for sending web pages to the servicer terminal.

10. The system of claim 9, further including a transaction server for relaying data among the central server computer, the claim audit rulebase, and the claims database.

11. A system for automatically processing mortgage insurance claims, comprising:

a web server administering a network of servicer terminals connected into a network, each servicer terminal running web browser software for viewing web pages served by the web server,

the web pages including a claim submission form for receiving claim submission data from a servicer at a servicer terminal, the claim submission data being related to an

insured mortgage loan on a property after default on the mortgage loan by a borrower;  
and

a transaction server connected to the web server, the transaction server accessing a claim audit rulebase and a claims database to automatically perform an audit and adjustment a claim submitted at a servicer terminal, and to automatically provide results of the audit and adjustment to the servicer at the servicer terminal, the claim audit rulebase including rules directed to determine whether loss can be mitigated by acquisition of the property by an insurer.

12. The system of claim 11, further including:

a document generator connected to the web server for generating a settlement letter.

13. The system of claim 11, further including:

a network of claim representative terminals connected to the web server for allowing a servicer at a servicer terminal to communicate with a claim representative at a claim representative terminal.

14. A method for automatically processing mortgage insurance claims, comprising:

(a) capturing at a servicer terminal data submitted by a servicer relating to a mortgage insurance claim, the servicer terminal being connected into a network administered by a central server computer, capturing of data including capturing data relating to an insured mortgage loan after default on the mortgage loan by a borrower;

(b) automatically retrieving from a claims database, connected into the network, data relating to the mortgage insurance claims;

(c) accessing a claim audit rulebase, connected into the network, to automatically perform an audit and adjustment of the submitted claim based upon the data captured at the servicer terminal and the data retrieved from the claims database, the claim audit rulebase including rules directed to determining if loss can be mitigated by acquisition by an insurer of a property subject to the insured mortgage loan;

(d) automatically providing to the servicer at the servicer terminal results of the audit and adjustments of the submitted claim; and

(e) automatically providing the servicer at the servicer terminal with an option to interact with a claim representative to resolve any issues.

15. The method of claim 14, wherein step (a) includes:  
displaying the servicer at the servicer terminal a claim submission form including data entry fields for receiving claim data.

16. The method of claim 15, wherein step (a) further includes:  
automatically pre-filling data entry fields using stored data.

17. The method of claim 14, further including the following step (f):  
generating a settlement letter to be sent to the servicer.

18. The method of claim 14, wherein step (e) includes:  
providing the servicer with a projected date of payment if the servicer accepts the calculated claim amount.

19. The method of claim 14, wherein step (d) includes:  
providing the servicer with a detailed explanation of policy exceptions identified by the claim audit rulebase.

20. The method of claim 14, further including:

providing a network connection between the servicer terminal and a claim representative terminal to allow a servicer to communicate with a claim representative.

21. The method of claim 20, further including:

providing a network connection between the servicer terminal and a claim representative terminal to allow a servicer to communicate with a claim representative using e-mail.

22. The method of claim 14, wherein step (a) includes:

providing the servicer terminal with a web browser and sending web pages to the servicer terminal.

23. The method of claim 14, further including:

using a transaction server for relaying data among the central server computer, the claim audit rulebase, and the claims database.

24. A method for automatically processing mortgage insurance claims, comprising:

(a) using a web server to administer a network of servicer terminals, each servicer terminal in the network running web browser software for viewing web pages served by the web server,

(b) sending a web page from the web server to the servicer terminal, the web page including a claim submission form for receiving claim submission data from a servicer at the servicer terminal, the claim submission form being directed to direct entry of inputs relating to an insured mortgage loan after default on the mortgage loan by a borrower.

(c) accessing a claim audit rulebase and a claims database to automatically perform an audit and adjustment of a claim submitted at a servicer terminal, the claim audit rulebase including rules directed to determining if loss can be mitigated by acquisition by an insurer of a property subject to the insured mortgage loan; and

(d) automatically providing results of the audit and adjustment to the servicer at the servicer terminal.

25. The method of claim 24, further including the following step (e):

(e) generating a settlement letter.

26. The method of claim 24, further including:

connecting a network of claim representative terminals to the web server to allowing a servicer at a servicer terminal to communicate with a claim representative at a claim representative terminal.

27. A method for automatically processing mortgage insurance claims, comprising:

(a) receiving an electronic feed of claims data from a centralized claim repository service company, the claims data relating to insured mortgage loans after default on each mortgage loan by a borrower;

(b) storing the received data in a sequential dataset in a claims file on a system mainframe;

(c) running a mainframe job to look for the claims file on the mainframe;

(d) loading data from the claims file into a claims database;

(e) identifying all claims loaded into the claims database;



(f) executing a claim audit rulebase for each identified claim, execution of the claim audit rulebase including executing rules directed to determining if loss can be mitigated by acquisition by an insurer of a property subject to an insured mortgage loan that is the subject of the claim;

(g) updating the claims database with claim status and audit results from the claim audit rulebase;

(h) making claims available for viewing by servicers on a website.

28. The method of claim 27, wherein step (d) includes:

determining whether there have been any errors in loading the claims into the claims database, and, if there are errors, informing a system support group.

29. The method of claim 27, further including:

(i) automatically generating an e-mail message informing a claim submitter that a claim has been received and that an audit has been completed.

30. The system of claim 1, wherein the servicer terminal captures data relating to the value of a property securing the insured mortgage loan.

31. The system of claim 1, wherein the servicer terminal captures data relating to unpaid interest due and expenses incurred as a result of default by a borrower.

32. The system of claim 2, wherein the claim form includes provisions for submission of all data specified by the Uniform Mortgage Insurance Claim for Loss.